



Postal Regulatory Commission
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April 6, 2021

The Honorable Michael Kubayanda, Chairman
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268

Re: U.S. Postal Service Waiver Request, Docket RM2021-5

Dear Chairman Kubayanda:

TGI Direct, Inc. is a communications and fulfillment company dedicated to helping clients administer, control, and distribute products and information through both digital and physical channels. With two fully functioning facilities in both Flint and Ann Arbor and approximately 90 Employees, TGI services key vertical markets nationwide in health care, automotive, education, and other highly-regulated industries.

TGI Direct, Inc. opposes the Postal Service's March 26, 2021 waiver request to delay improvements to the workshare discount for First Class Mail sorted to the 5-Digit level. Specifically, the Postal Service seeks to maintain the current 5-Digit workshare discount, rather than increase the discount to move it closer to a rate that reflects the full value of the work performed by companies like ours. The Commission should deny the waiver request.

When the Commission adopted its final rules that included the changes to how the USPS sets workshare discounts, it did so because even though the Commission had been recommending for years that the USPS better use its existing pricing flexibility to encourage more efficient mail preparation and entry behaviors by setting workshare discounts as close as practicable to their avoided costs, the USPS had not done so. Accordingly, the Commission established the new rules around how the USPS sets workshare discounts to better comport with the principles of Efficient Component Pricing. Nothing has changed that would impact the Commission's rationale when it developed these rules.

In addition, the Commission included requirements the Postal Service would need to meet if requesting a waiver to the workshare rules. Those requirements included extensive evidence and detailed rationale to support the USPS' request for waiver. The Commission said it intended for the waiver process to be used in exceptional circumstances, and that it intended to ensure the Postal Service's strict adherence to the new waiver rules and requirements. The Postal Service in submitting this waiver request has not met the requirements laid out by the Commission nor has it adhered to the waiver rules. We believe that how the Commission responds to this first waiver request under a new process will set the precedent for future waiver requests, therefore it is essential that the process be followed as the Commission designed it.

In the USPS' waiver request, it noted that it plans to focus this year on the impact of the first above-CPI price change in many years, which it plans to file for on May 28, 2021. We can only conclude that the Postal Service plans to increase prices for a second time in 2021, and for a significant



increase. For businesses like ours who are still facing the impacts from the pandemic, such a price increase could not come at a worse time. One of the ways our business brings value to the Postal Service is by utilizing a service provider to presort our mail, which gives us access to lower postage rates than we would otherwise qualify for. Improving the workshare discount would help offset the impact of these anticipated price increases while also encouraging the most efficient mail preparation and entry.

Not only does TGI Direct utilize a Mail Service Provider to presort some of our mail we are also a Mail Service Provider as we print, prepare and mail millions of pieces of mail every month.

Mail is of critical importance to our business, and we need to be able to continue to have access to the most affordable postage rates possible, through access to workshare discounts that are set in keeping with the direction the Commission's rules establish. Approving the USPS' waiver request would negatively impact our customer's ability to continue to use mail. As a Mail Service Provider, the intelligent data we provide to the Postal Service is the foundation for a long list of initiatives it uses to reduce costs, improve service, and grow mail usage. Our employees act as front-line sales force for the Postal Service, selling its products and services to our customers. We also provide ongoing customer training and education on postal programs. All of our work is supported by workshare discounts that are set in keeping with the direction the Commission's rules establish. Approving the USPS' waiver request would negatively impact our ability to continue bringing value to mail and mail users.

Thank you for your consideration of these comments.

Sincerely,

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